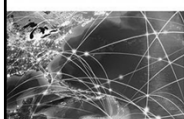


BIS UPDATE 2017 CONFERENCE ON EXPORT CONTROLS AND POLICY


Export Control Considerations South Asia Region



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Region Overview

- Population: approximately 1.6 billion
- Different trade and export control considerations across the countries.
- India and Pakistan both have a Strategic Trade Control laws.

	<u>Country Group</u>
• India	A:2 and 6, B
• Bangladesh	B
• Pakistan	B, D:2-4
• Sri Lanka	B



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End User Reviews: Things to Consider

- While the U.S. Government provides military equipment and has engagement with both countries, there are programs not supported for foreign policy reasons or under multilateral export control commitments.
- You need to understand that:
 - Most orders for parts and components will come from a private industry company, even for government transactions.
 - Often this company might be a third party to the transaction, by design or nature of business.
 - Simple online vetting will not be enough to discard “catch all concerns” for nuclear end-use(r) or listed parties.
 - If you don’t know the company, ASK. If you know the company, REMIND them of their obligations to provide accurate end-use(r) information.



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India: Due Diligence Case Study

- Export of integrated circuits (3A001.a.2.c) to Singapore
 - “Bill to” address: virtual office
 - “Ship to” address: forwarder
- Items exported under license exception GBS
 - Exporter did not confirm destination/end user
- Circuits ultimately shipped to electronics distributor in India
 - No Singapore export permit obtained



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India: Due Diligence Case Study

- End-Use Check in India
 - “Ship to” address: residential apartment
 - Consignee: reseller
 - Did not identify customer on end user statement
 - False claim on website: electronic testing/quality control laboratory
 - Unfamiliar with export controls, licensing, entity list, etc.
- Outreach on U.S., Singapore, and Indian export controls



Quality Policy

Quality is one of the pillars on which team of experienced engineers, inspectors and passionate about our zero-tolerance.

Below we brief are the four pillars PPM failure.

- Secure Source
- Testing & Inspection Process
- Traceability
- Technical Support

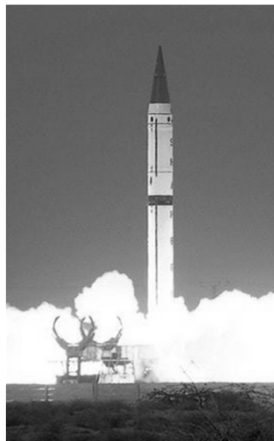
Secure Source



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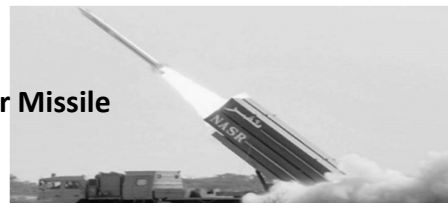
Pakistan: Diversion to WMD Development



Shaheen-III



1998 nuclear tests



Nasr Missile



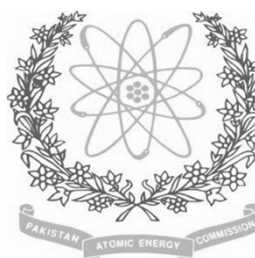
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- AERO



- DESTO



- KRL

- PAEC/PINSTECH



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BIS UPDATE 2017 CONFERENCE ON EXPORT CONTROLS AND POLICY**Case Study: Diversion to Entity List Party**

- Post-shipment verification at Euromoto FZE in Dubai
 - Vibration controllers (ECCN: 9B990)



- Items had been ordered by Makkays Hi-Tech Systems in Islamabad, Pakistan



An ISO Certified Company



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Case Study: Diversion to Entity List Party

- Makkays procured the items for AERO
- National Bank of Pakistan: consignee on Bill of Lading
- Euromoto and Makkays added to the Entity List

Invoice

Date	Invoice #

PAID 04/21/2016

Bill To		Ship To	
Makkays Block 14 Civic Centre G-6 Markaz Islamabad Pakistan		Euromoto (Middle East) FZE Q1-08-051/B PO Box 121826 Sharja, UAE Talaat Mehmood	
P.O. Number	Terms	Rep	Ship Date
	Prepaid		
Qty	Item Code	Description	Price Each
1		Vibration Controller	

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COMBINED TRANSPORT BILL OF LADING

Shipper
EUROMOTO (MIDDLE EAST) FZE,
P.O. BOX 121826 SAIF ZONE,
SHARJAH U.A.E.

Consignee (If "To Order" we indicate)
NATIONAL BANK OF PAKISTAN

Notify Party (This claim shall attach for failure to notify)
ADVANCED ENGINEERING RESEARCH ORGANIZATION LUB,
THATTOO HAZARA ROAD TEHSIL TAXILA DISTT,
RAWALPINDI (PAKISTAN)

Number and kind of package/description of goods
4 PLTS
TOOL TROLLY: 227 PCS PROFESSIONAL
MECHANICAL TOOL
VIBRATION CONTROL SYSTEM

Gross Weight
725.00 KGS

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Best Practices

- Entity List parties may procure using alternate names; run fuzzy searches on name & address:

Search the Consolidated Screening List

Search eleven screening lists at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

Keyword

Search for words in the name, alternative names (aliases), title of the entity, and additional remarks regarding the entity.

Lub Thathoo Hazara Road, Tehsil Taxila, Rawalpindi

Name

Search for an entity's name or one of its alternative names.

Integrated Solutions

Fuzzy Name

When set to off, the spelling of the Name you search for must be correct to get results. When set to on, the spelling for the Name you search for may be slightly off. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first.

On X

https://www.export.gov/consolidated_screening_list



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- It is common for end users in the region to procure through multiple intermediaries:
 - Check whether your customer is a reseller/distributor
 - If so, determine the ultimate end user
- Obtain a precise end-user statement:
 - Ensure the statement is signed by the end user, not just the reseller/distributor
 - If the end user is a government institution, request any relevant tender information
 - If the consignee is a university or research institute, ensure the statement identifies the relevant department/office/personnel who will use the items
 - Request that the statement identify any specific project name



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BIS UPDATE 2017 CONFERENCE ON EXPORT CONTROLS AND POLICY**Best Practices (cont'd)**

- Especially for new/unknown customers, consider any possible nuclear/missile application of your product:
 - Even if the item is designated EAR99
 - Even if the item is normally used for industrial applications
 - e.g., equipment commonly used in oil/gas industry may also have nuclear applications
- If you don't have a regional sales office, establish a trusted distributor
 - Specify export control requirements in distribution agreement
 - Provide export/reexport compliance training



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Best Practices (cont'd)

Electronic Export Information Filings

- Ensure you or your forwarder submits complete and accurate information

Electronic Export Information ITN: X20171003000000	
ULTIMATE CONSIGNEE UNITED BANK LTD. (KARACHI, PK)	EXPORT DATE 10/06/2017
INTERMEDIATE CONSIGNEE	COMMODITY SPECTROPHOTOMETER

Electronic Export Information ITN: X20171003000000	
ULTIMATE CONSIGNEE ABDUL WALI KHAN UNIVERSITY	EXPORT DATE 10/06/2017
INTERMEDIATE CONSIGNEE TRADE INTERNATIONAL PVT LTD	COMMODITY SPECTROPHOTOMETER



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Useful Online Resources

- <https://bis.doc.gov/index.php/enforcement/oea/1035-eco-program-new-delhi>
- Country Commercial Guide (CCG)
www.export.gov/india
www.export.gov/pakistan
- India- Directorate General of Foreign Trade
<http://dgft.gov.in>
 SCOMET Items (2017 Update)
<http://dgft.gov.in/exim/2000/scomet/2017/list2017.pdf>
- Pakistan Strategic Export Control Division
<http://www.mofa.gov.pk/secdiv/>
 Control List (Updated December 2016):
<http://www.mofa.gov.pk/secdiv/documents/Control-Lists-Dec16.pdf>



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THANK YOU!

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